



# EARNINGS RELEASE

September 2021

Managing high value-added processes

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- *CIE's management uses recurrently and in a consistent way during business management certain Alternative Performance Measures, APM which include terms about results, balance sheet and cash flow. CIE understands that those APMs are helpful to explain its activity evolution, so they are presented, defined and reconciled with financial statements in this presentation's Appendix.*



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# 1. September 2021 Results

## Highlights Q3 2021

<b>01</b>	<b>Increasing market share</b>	<b>+16.5 p.p.</b> <i>OUTPERFORMANCE</i>	<b>+26%<sup>(*)</sup></b> vs SEPT 2020
<b>02</b>	<b>Record margin in current perimeter <sup>(1)</sup></b>	<b>17.7%</b> <small>EBITDA MARGIN</small> <i>vs 14.2% SEPTEMBER 2020</i>	<b>PROFORMA STARTING POINT ≈ 16%</b>
<b>03</b>	<b>Net Income September 2021</b>	<b>206.1 €m</b>	<b>CONTINUING WITH OUR GROWTH PATH</b>
<b>04</b>	<b>Operating Cash Generation last 12 months</b>	<b>367.4 €m</b> <i>66% OPERATING CASH/EBITDA</i>	<b>HIGH LEVEL OF CASH GENERATION</b>
<b>05</b>	<b>NFD/EBITDA last 12 months</b>	<b>4.09x → 2.56x</b> <i>SEPTEMBER 2020    SEPTEMBER 2021</i>	<b>EXCELLENT IMPROVEMENT OF DEBT RATIOS</b>
<b>06</b>	<b>Liquidity Reserve</b>	<b>1,194 €m</b>	<b>STRONG LIQUIDITY POSITION WITH STRICT CASH MANAGEMENT</b>
<b>07</b>	<b>Analyst recommendations</b>	<b>100%</b> <i>DO NOT SELL</i>	<b>TARGET PRICE CONSENSUS</b> <b>29.37€</b>

(\*)

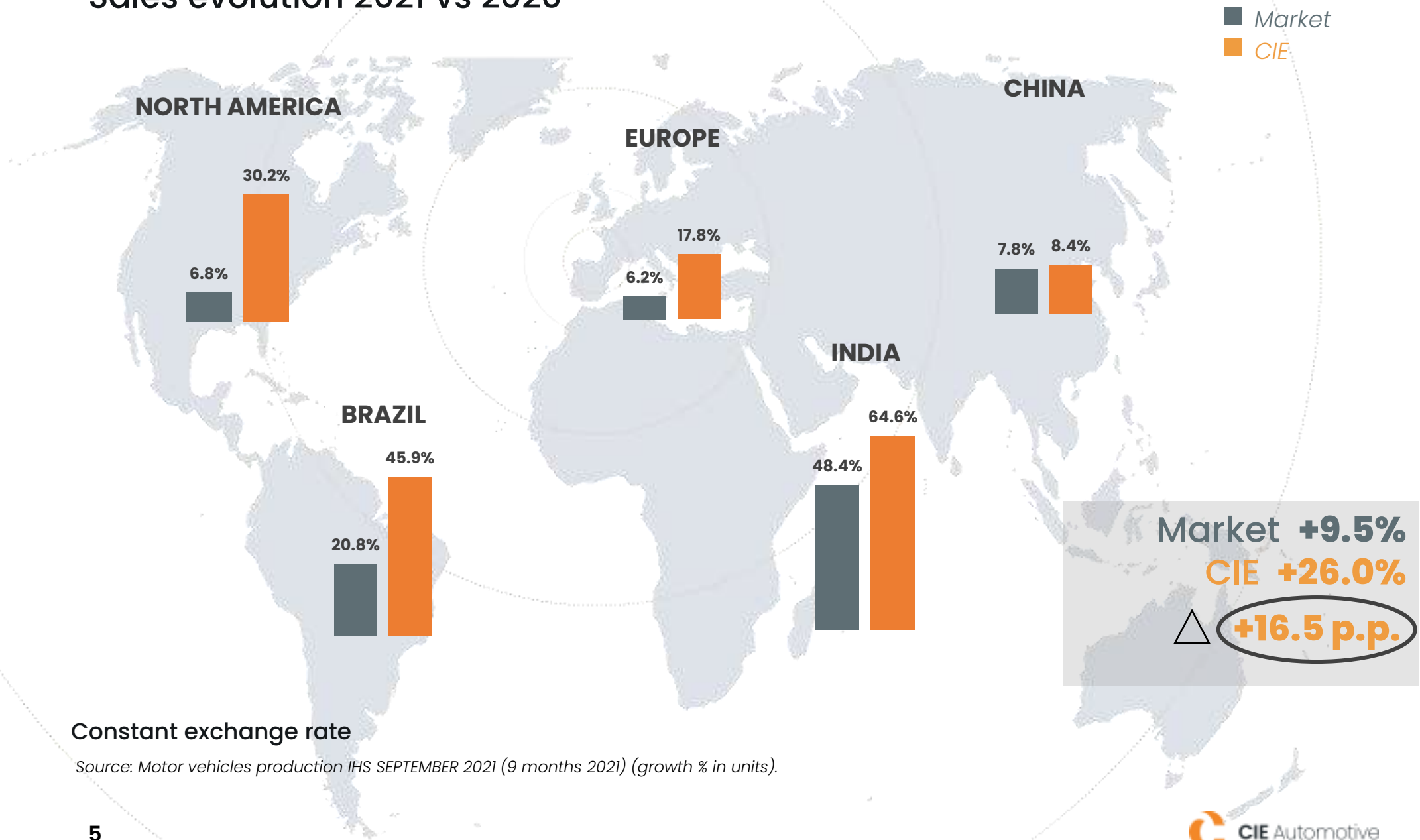
Constant exchange rate.

(1)

Better EBITDA margin after the high increase of the 2019 perimeter.

# 1. September 2021 Results

## Sales evolution 2021 vs 2020



Constant exchange rate

Source: Motor vehicles production IHS SEPTEMBER 2021 (9 months 2021) (growth % in units).

# 1. September 2021 Results

€m	30/09/2020	30/09/2021	
Turnover	2,000.0	2,456.7	<b>+23%</b>
EBITDA	284.1	434.2	<b>+53%</b>
% EBITDA on turnover	<b>14.2%</b>	<b>17.7%</b>	
EBIT	179.1	312.4	<b>+74%</b>
% EBIT on turnover	<b>9.0%</b>	<b>12.7%</b>	
EBT	144.0	281.3	<b>+95%</b>
Net income	<b>117.8</b>	<b>206.1</b>	<b>+75%</b>

- We are on pre-covid levels even with:
  - **10.2 million** fewer **cars** produced (9M 2021 vs 9M 2019) and
  - the negative impact of currency conversion (**158 €m** in turnover and **15 €m** in Net income 9M 2021 vs 9M 2019)

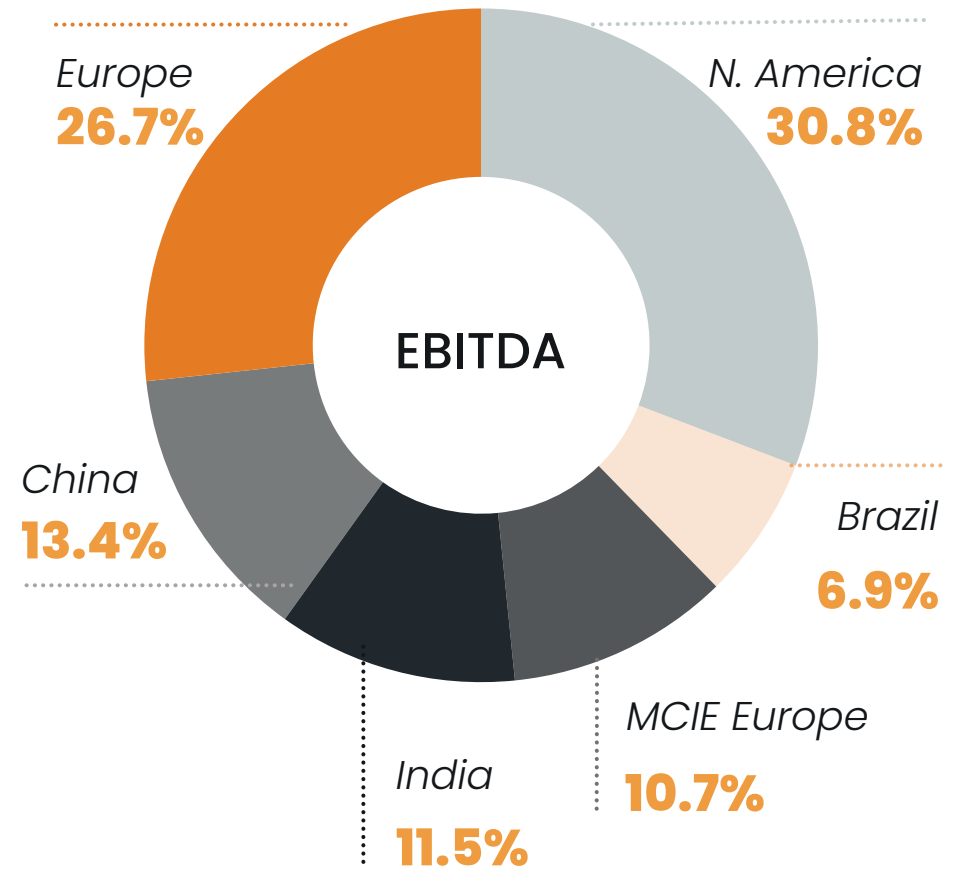
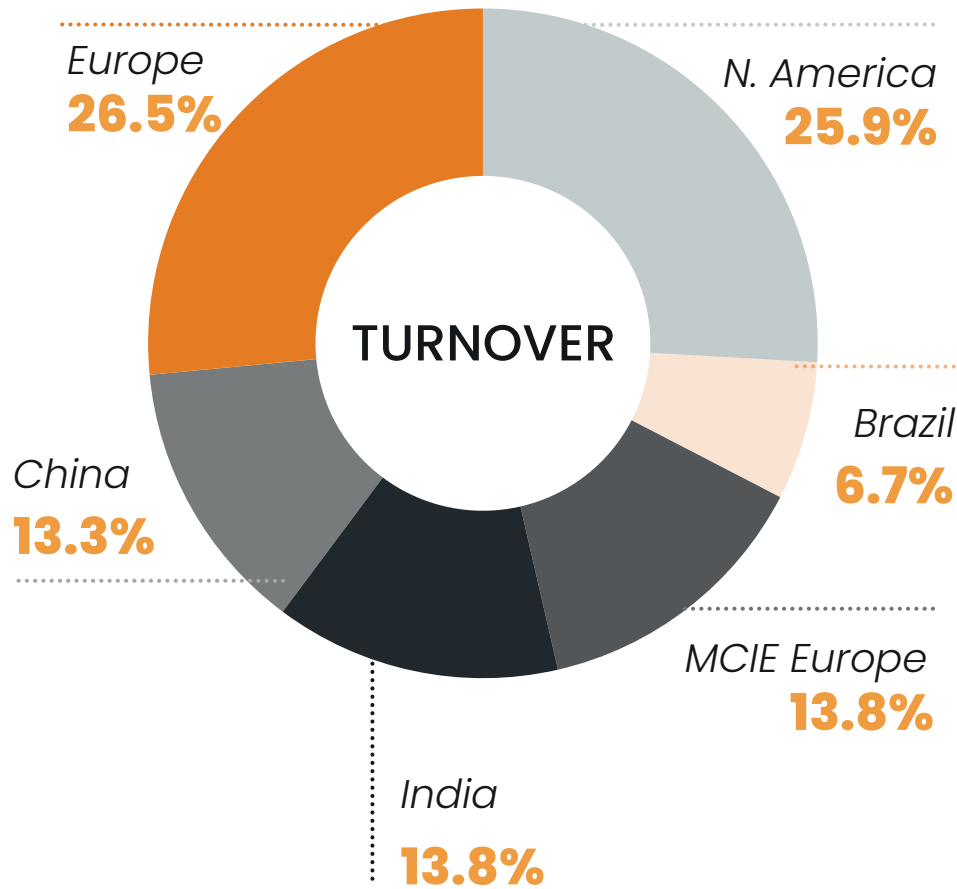
# 1. Q3 2021 Results

€m	Q3 2020	Q3 2021	
Turnover	791.8	775.0	-2%
EBITDA	130.6	131.4	
% EBITDA on turnover	16.5%	17.0%	+50 b.p.
EBIT	88.9	91.8	
% EBIT on turnover	11.2%	11.8%	+60 b.p.
EBT	78.8	80.3	
Net income	59.5	57.9	

- The *operating margins continue to improve*, which were diluted with the last acquisitions pre-covid (EBITDA proforma ≈16%; EBIT Proforma ≈ 11%)

# 1. September 2021 Results

## 2021 Divisions Contribution





# 1. September 2021 Results

## 2021 Divisions Profitability

### ● NORTH AMERICA

EBITDA **21.0%**

EBIT **16.3%**

### ● BRAZIL

EBITDA **18.3%**

EBIT **14.2%**

### ● MCIE EUROPE

EBITDA **13.7%**

### ● EUROPE

EBIT **9.5%**

EBITDA **17.8%**

EBIT **10.9%**

### ● CHINA

EBITDA **17.8%**

EBIT **14.4%**

### ● INDIA

EBITDA **14.8%**

EBIT **10.2%**

- Excelent margins, **in all geographical areas**

## 2. Balance sheet

### Balance sheet evolution

€m	31/12/2020	30/09/2021
Fixed assets	3,293.2	3,428.7
Net Working Capital	(356.4)	(284.0)
<b>TOTAL NET ASSETS</b>	<b>2,936.8</b>	<b>3,144.7</b>

Equity	995.0	1,291.3
Net Financial Debt	1,594.9	1,518.1
Others (net)	346.9	335.3
<b>TOTAL NET LIABILITIES</b>	<b>2,936.8</b>	<b>3,144.7</b>

Non-recourse factoring

242.2 €m

213.3 €m

## 2. Balance sheet

### Cash Flow

	YTD (*)
<b>EBITDA</b>	<b>m€ 434.2</b>
Financial Expenses	(23.5)
Maintenance Capex	(72.9)
Tax Payments	(41.0)
IFRS 16 Leases <sup>(1)</sup>	(18.5)
<b>OPERATING CASH FLOW</b>	<b>278.3</b>
<b>% EBITDA <sup>(2)</sup></b>	<b>66.9%</b>
Growing Capex	(68.4)
Net Working Capital Variation	(60.8)
Payments of Dividends	(61.3)
Treasury shares transactions	(6.2)
Business combinations <sup>(3)</sup>	(4.8)
Currency conversion effect in NFD	14.0
Other movements	(14.0)
<b>FINANCIAL CASH FLOW</b>	<b>76.8</b>

€m	30/09/2020	31/12/2020	30/09/2021
NFD	1,777.4	1,594.9	1,518.1
Adjusted NFD <sup>(*)</sup>	1,760.4	1,575.3	1,508.3

NFD/EBITDA <sup>(\*\*)</sup> **4.09X** **3.59X** **2.56X**

**Liquidity Reserve**  
**30/09/2021**  
**1,194 €m**

- (1) Payment of rental fees registered in EBITDA according to the application of IFRS 16 standard.  
(2) Operating Cash Flow on the value of EBITDA corrected with the effect of the IFRS 16 standard.  
(3) Acquisition of additional shares of the listed subsidiary Mahindra Cie Automotive Ltd.  
(\*) Cash flow of 9 months of 2021 (YTD).  
(\*\*) Adjusted NFD and EBITDA data considering 50% of the Chinese JV SAMAP

### 3. 2021 Goals

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*In 2021, CIE will increase its market share and margins thanks to the strategic success in:*



ELECTRIC  
CAR



COMMITTED  
TO  
COMFORT



GREATER  
PRESENCE  
IN ASIA



DEEP  
COMMITMENT  
TO ESG

### 3. 2021 Goals

*As of today, we can confirm 2021 guidance*

Set in 02/21

#### **SALES**

Growing in line with the market

Updated in 05/21

**Growing a medium-high digit  
above market**

#### **MARGINS**

EBITDA Margin >17%

**EBITDA Margin >17.5%**

#### **OPERATING CASH**

Operating cash generation  
>60% EBITDA

**Operating cash generation  
≈65% EBITDA**

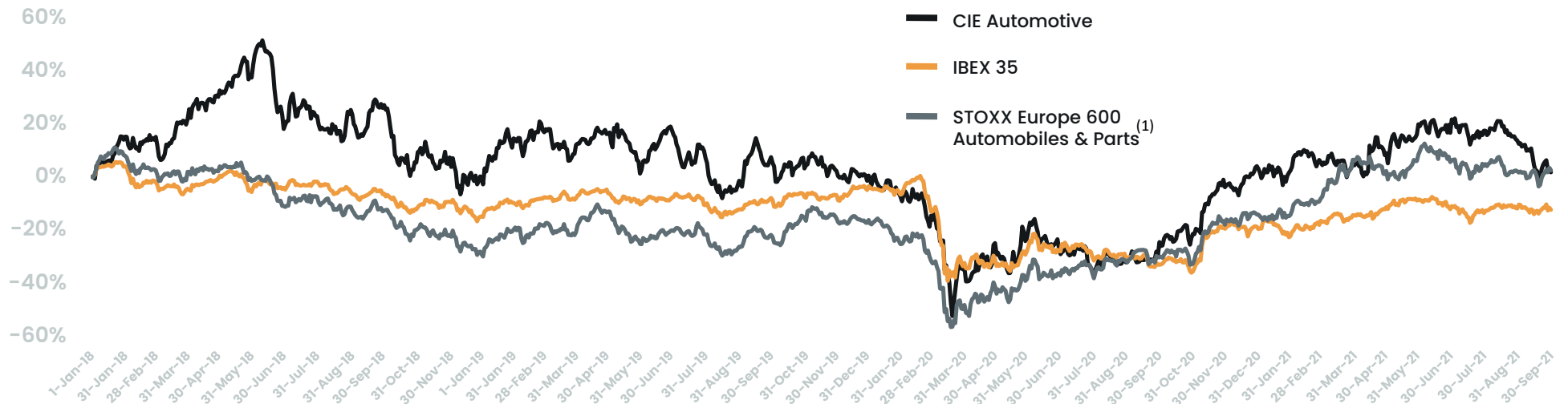
#### **NET FINANCIAL DEBT**

Ratio NFD/EBITDA ≈2.5X

**Ratio NFD/EBITDA between  
2.3X and 2.4X**

# 4. CIE in Stock Exchange

## Share Price Performance CIE Automotive



Since mid 2018 the financial markets and the Automotive sector have been negatively affected by geopolitical and macroeconomic issues, as well as industry specific problems.

During 2020 the pandemic severely impacted CIE Automotive's stock when results, quarter after quarter, demonstrated more than ever the strength and resilience of the company.

The complexity of the environment has increased in 2021 and especially in the third quarter (semiconductors, raw material and energy prices...), which has led to several profit warnings from suppliers and a significant stock market correction indiscriminately for all suppliers.

However, during the first nine months of 2021, CIE's results have been excellent and have kept CIE on the podium of the most profitable companies in the sector. Despite this extremely complex backdrop, CIE Automotive once again delivered excellent results in the third quarter and has not changed its future commitments, something that, clearly, has not been reflected in the share price.

(1) STOXX Europe 600 Automobiles & Parts includes: OEMS: BMW ST, Daimler, Ferrari NV, Fiat, Peugeot, Porsche, Renault & Volkswagen. SUPPLIERS: Faurecia, Michelin, Nokian, Plastic Omnium, Rheinmetall, Schaeffler, Valeo.

# APPENDIX I

## ALTERNATIVE PERFORMANCE MEASUREMENT (APMs)

PERFORMANCE MEASURES	DEFINITION
EBITDA	Net Operating Income + Depreciation
Adjusted EBITDA	Annualized EBITDA of 12 last months in those companies incorporated to the perimeter during the period. It includes 50% of the Ebitda of Chinese JV SAMAP, which is based on the current agreements with the partner, is consolidated by the equity method.
EBIT	Net Operating Income.
EBT	Earnings before taxes.
Net Income	Recurrent profit attributable to the company's shareholders.
Net Financial Debt (NFD)	Debt with banks and other financial institutions – Cash and equivalents – Other Financial Assets.
Adjusted Net Financial Debt	Net Financial Debt including 50% of Chinese JV SAMAP net financial debt, consolidated by the equity method as per the current partnet agreements reached.



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